

October 12, 2007

Environmental Management Support, Inc. Attn: Mr. Don West 8601 Georgia Ave, Suite 500 Silver Spring, MD 20910

Re: The State of Indiana Coalition - EPA Brownfield Revolving Loan Fund Grant Proposal

Dear Mr. West:

I am pleased to submit the enclosed Revolving Loan Fund (RLF) Grant Proposal. The Indiana Finance Authority has formed a coalition with the City of Evansville to request a \$2 million grant for public, private, and nonprofit entities to perform hazardous substance and petroleum cleanups in disadvantaged neighborhoods. This EPA grant award will advance Indiana's efforts to clean up contaminated brownfields, leverage private investment, and create jobs. In state fiscal year 2007, the Indiana Finance Authority provided 119 brownfield grants, which are anticipated to generate \$81 of investment for every \$1 of state funding.

State funding for brownfields has been dwindling over the past several years due to increased demand for grants and loans. Specifically, demand for low-interest loans (exceeding \$5 million) surpasses the currently available loan fund balance of approximately \$2 million. Since 1997, the state has issued 27 brownfield loans, totaling \$12,898,267, which are anticipated to generate \$129 million of additional investment.

The City of Evansville has expressed a need for a large loan to help address brownfield properties within the Center City Industrial Park area. The redevelopment of this 140-acre area is a priority for the City and will bring important economic and quality of life benefits to the community. However, as demonstrated above, the available state brownfields loan funding cannot meet Evansville's need. Therefore, the Indiana Finance Authority has formed a coalition with Evansville to leverage previous state and federal financial assistance with additional federal funding to enable the City to cleanup identified brownfields. It is Indiana's experience that communities who successfully complete brownfield projects can build on their successes and take on new projects, creating and expanding their own community brownfields programs.

The City of Evansville has proven itself to be proactive and innovative in tackling brownfields redevelopment. It has taken advantage of state and EPA brownfields funding in the past and has established a land bank to help the City acquire sites for brownfields and housing redevelopment needs. However, the City has limited resources and capacity to administer an RLF grant at this time. Consequently, the Indiana Finance Authority will manage this RLF on behalf of Evansville and will revolve the loan funds to benefit the entire state.

The Indiana Finance Authority has experience successfully managing a previous EPA Brownfields Cleanup Revolving Loan Fund (BCRLF) grant, as well as Indiana's State Revolving Fund Loan Programs, which provide low-interest loans to Indiana communities for wastewater and drinking water projects. The Indiana Finance Authority is currently in the process of transitioning the state's BCRLF repayments into a new cooperative agreement so that supplemental federal funds can be requested to help meet the increasing demand for brownfields financial assistance in Indiana.

- 1. <u>Applicant Identification</u> Indiana Finance Authority, c/o Indiana Brownfields Program, 100 N. Senate Ave., Rm. 1275, Indianapolis, IN, 46204
- 2. Funding Requested a. Revolving Loan Fund grant, b. \$2,000,000, c. Hazardous and petroleum
- 3. Location The State of Indiana will be served.
 - Indiana Finance Authority, The Honorable Mitchell E. Daniels, Jr., Governor, c/o Indiana Brownfields Program, 100 N. Senate Ave., Rm. 1275, Indianapolis, IN, 46204 Phone: (317) 234.2916 Fax: (317) 234.1338
 - City of Evansville, The Honorable Jonathan Weinzapfel, Mayor, Civic Center Complex, Rm. 302, 1 N.W. Martin Luther King Jr. Blvd, Evansville, IN, 47708 Phone: (812) 436.4962 Fax: (812) 436.4966
- 4. <u>Contacts</u> Project Director: James P. McGoff, Director of Environmental Programs, Indiana Finance Authority, 100 N. Senate Ave, Rm. 1275, Indianapolis, IN, 46204 Phone: (317) 234.2916 Fax: (317) 234.1338, jmcgoff@ifa.in.gov
 - Chief Executive: Jennifer M. Alvey, Public Finance Director, Indiana Finance Authority, One North Capitol, Suite 900, Indianapolis, IN, 46204 Phone: (317) 233.4332 Fax: (317) 232.6786, jalvey@ifa.in.gov
- 5. Date Submitted October 12, 2007
- 6. Project Period 5 years
- 7. <u>Population</u> a. Population of State of Indiana: 6,313,520 b. Population of Evansville (Target area of RLF): 117,232
- 8. Other The Indiana Finance Authority has no special designations. The City of Evansville has an Official Recognition from the Department of Justice for its Weed and Seed strategy.
- 9. Cooperative Partners The following entities are Cooperative Partners for this grant: Indiana Department of Environmental Management, Bruce Oertel (317) 232.4535; Vanderburgh County Health Department, Gary Heck (812) 435.2468; Indiana State Department of Health, LaNetta C. Alexander (317) 351.7190, ext. 262; Indiana Association of Cities and Towns, Matt Greller (317) 237.6200; Local Initiatives Support Corporation, Will Pritchard (317) 396.0588, ext. 16; Indiana Association of Regional Councils, Nancy Kinder (765) 521.0931.

On behalf of the coalition, we appreciate this partnership opportunity to further the Indiana Brownfields Program's goals of environmental stewardship and economic development.

Sincerely,

James P. McGoff

Director of Environmental Programs

Enclosures

cc: Deborah Orr, US EPA Region 5 (w/ enclosures)

THRESHOLD CRITERIA

- A. <u>Applicant Eligibility</u> The State of Indiana Coalition (Coalition) consists of the Indiana Finance Authority and the City of Evansville. The Indiana Finance Authority is a quasi-governmental entity created by the Indiana Legislature (Indiana Code 4-4-11) and the City of Evansville is a general purpose unit of local government; both are eligible entities. *See* "Attachment A" for documentation of applicant eligibility and a Coalition Agreement letter.
- **B.** Description of Jurisdiction The jurisdiction for this grant is the State of Indiana.
- C. Letter from the State or Tribal Environmental Authority A letter of support from the Indiana Department of Environmental Management is included as "Attachment B."
- D. Cleanup Authority and Oversight Structure
 - 1. The Indiana Finance Authority, which manages the Indiana Brownfields Program, has the technical expertise to manage and oversee cleanups for closure at brownfield sites to ensure the protection of human health and the environment because its technical staff is comprised of Indiana Department of Environmental Management employees. Revolving Loan Fund (RLF) loan and subgrant recipients will be required to either participate in the Indiana Brownfields Program or the Indiana Department of Environmental Management's Voluntary Remediation Program. In Indiana, the Brownfields Program and the Voluntary Remediation Program are separate programs with different requirements and procedures, but both provide technical oversight of site activities by Indiana Department of Environmental Management employees and close sites using Indiana's Risk Integrated System of Closure.
 - 2. The Indiana Finance Authority has legal authority to access and secure sites in the event of an emergency or default of a loan agreement or non-performance under a subgrant. *See* "Attachment C" for the legal opinion of the Indiana Brownfields Program General Counsel.
- E. <u>Cost Share</u> On behalf of the Coalition, the Indiana Finance Authority will provide \$400,000 in the form of a direct cash match to satisfy the 20% cost share requirement. The source of funding for the cash match is the Indiana Environmental Remediation Revolving Loan Fund, and if awarded the RLF grant, \$400,000 will be set-aside in a separate account for the sole purpose of matching the RLF award.
- **F.** <u>Legal Authority to Manage a Revolving Loan Fund</u> The Indiana Finance Authority has legal authority to hold funds, make loans, enter into loan agreements, and collect repayments. *See* the legal opinion included as "Attachment C."

RANKING CRITERIA

A. RLF Grant Proposal Budget The Coalition will use the entire \$2,000,000 grant and \$400,000 cost share/cash match (\$2,400,000 total) to loan/subgrant to applicants to remediate hazardous substance and petroleum contamination. The target market for the RLF will first be the City of Evansville, but after a specified period of time, loans will be made available throughout Indiana. After the initial RLF funds begin to revolve, loan repayments will be used to issue loans for cleanup activities statewide. Based on attaining certain project milestones, the Indiana Finance Authority will convert up to 40% of a loan amount to a subgrant not to exceed \$200,000. No more than 40% of the \$2,000,000 EPA RLF Grant (\$800,000) will be provided to eligible borrowers in the form of subgrants. As demonstrated in the table below, 50% of the RLF grant will be used for sites contaminated with hazardous substances and 50 % for sites contaminated with petroleum. The Indiana Finance Authority will be responsible for all programmatic costs associated with the RLF through in-kind services, above and beyond the required cost share, which will be provided as a cash match. The source of funding for all in-kind services and the cash match is the Indiana Environmental Remediation Revolving Loan Fund. Although the State of Indiana receives CERCLA Section 128(a) funding to partially fund operation of the Indiana

Brownfields Program, no 128(a) funds or any other federal monies will be used to match, support, or leverage this RLF grant. Due to the simplicity of the budget, one table is provided below that reflects the distribution of funding for Hazardous Substances (Task 3) and Petroleum (Task 4). A narrative discussion of all tasks is located below the table.

Budget	Project Tasks for Cleanup Loans (60% of amount requested)							
Categories								
	TASK 1:	TASK 2:	TASK 3:	TASK 4:	TASK 5:	Total		
	Establish	Market	Make Loans	Make Loans	Oversee			
	RLF	RLF	Hazardous	Petroleum	Cleanup &			
			Substances		Report to			
			*		EPA			
Personnel	IN KIND*	IN KIND*	IN KIND*	IN KIND*	IN KIND*	IN KIND		
Fringe Benefits	IN KIND*	IN KIND*	IN KIND*	IN KIND*	IN KIND*	IN KIND		
Travel	IN KIND*	IN KIND*	IN KIND*	IN KIND*	IN KIND*	IN KIND		
Supplies	IN KIND*	IN KIND*	IN KIND*	IN KIND*	IN KIND*	IN KIND		
Loans	IN KIND*	IN KIND*	\$600,000	\$600,000	IN KIND*	\$1,200,000		
Sub Total	0	0	\$600,000	\$600,000	0	\$1,200,000		
Sub Total Cost	0	0	\$120,000	\$120,000	0	\$240,000		
Share/Cash								
Match								
Budget	Pr	oject Tasks fo	or Cleanup Su	bgrants (40% o	of amount requ	ested)		
Categories								
	TASK 1:	TASK 2:	TASK 3:	TASK 4:	TASK 5:	Total		
	Establish	Market	Make	Make	Oversee			
	RLF	RLF	Subgrants	Subgrants	Cleanup &			
			Hazardous	Petroleum	Report to			
	·		Substances		EPA			
Personnel	IN KIND*	IN KIND*	IN KIND*	IN KIND*	IN KIND*	IN KIND		
Fringe Benefits	IN KIND*	IN KIND*	IN KIND*	IN KIND*	IN KIND*	IN KIND		
Travel	IN KIND*	IN KIND*	IN KIND*	IN KIND*	IN KIND*	IN KIND		
Supplies	IN KIND*	IN KIND*	IN KIND*	IN KIND*	IN KIND*	IN KIND		
Subgrants	IN KIND*	IN KIND*	\$400,000	\$400,000	IN KIND*	\$800,000		
Sub Total					_	#000 000		
	0	0	\$400,000	\$400,000	0	\$800,000		
Sub Total Cost	0	0	\$400,000 \$80,000	\$400,000 \$80,000	0			
Sub Total Cost Share/Cash						\$800,000 \$160,000		
Sub Total Cost								
Sub Total Cost Share/Cash								
Sub Total Cost Share/Cash Match	0	0	\$80,000	\$80,000	0	\$160,000		
Sub Total Cost Share/Cash Match Total RLF	0	0	\$80,000 \$1,000,000	\$80,000 \$1,000,000	0	\$160,000 \$2,000,000		
Sub Total Cost Share/Cash Match Total RLF Total Cost	0	0	\$80,000 \$1,000,000	\$80,000 \$1,000,000	0	\$160,000 \$2,000,000		

- TASK 1: Establish RLF These activities will be provided as in-kind services (not part of required cost share) and will consist of establishing RLF loan guidelines, including an application process for potential borrowers and scoring criteria for site selection.
- TASK 2: Market RLF These activities will be provided as in-kind services (not part of required cost share) and will consist of distributing RLF information via email listserv messages, Web sites, fliers, fact sheets, press releases, and presentations given to community members and other stakeholders at related conferences and events.
- TASK 3: Make Loans and Subgrants for Hazardous Substances Cleanup -50% of the RLF grant and cost share amount will be used for loans and subgrants to eligible borrowers for site cleanup activities at brownfield sites contaminated with hazardous materials.
- TASK 4: Make Loans and Subgrants for Petroleum Cleanup 50% of the RLF grant and cost share amount will be used for loans and subgrants to eligible borrowers for site cleanup activities at brownfield sites contaminated with petroleum.
- TASK 5: Oversee Cleanup & Report to EPA— These activities will be provided as in-kind services (not part of required cost share) and will consist of Indiana Brownfields Program staff overseeing the cleanup activities, including field work and reviewing written reports. Comment letters will be issued to both the borrowers and the borrowers' consultants to communicate state concurrence and/or any deficiencies in the cleanup work. Indiana Brownfields Program staff will track progress of the cleanups and report progress to EPA as appropriate.

Because tasks associated with managing the RLF are provided as in-kind services, cost for travel to the National Brownfields Conference for at least one staff person for each year that it is held is included in the in-kind services provided by the Indiana Finance Authority.

B. Community Need

1. Target Communities Although the jurisdiction for this RLF grant is statewide, the target community for the RLF is the City of Evansville, located in Vanderburgh County on the Ohio River, According to the U.S. Census Bureau, the 2006 estimated population of Evansville is 117,232, making it the third largest city in Indiana. The minority population estimate for 2006 is 20,549, and the families below poverty level are estimated to be 12.2%. This is higher than the U.S. estimate of 9.8% for families below poverty level. The median household income estimate for 2006 (in 2006 inflation-adjusted dollars) is \$31,935 for Evansville and \$48,451 for the United States. According to the Indiana Department of Workforce Development, the City of Evansville's August 2007 unemployment rate was 5.6%. This is higher than the rate for the State of Indiana (4.8%) and the United States (4.6%) during the same timeframe. Like other Indiana communities, Evansville has historically relied on heavy manufacturing as a primary source of employment, property tax revenues, and economic stimulation. Over the past decades, as the City has overcome the plant closings, company layoffs, and the globalization of the manufacturing marketplace, former industrial areas of Evansville have suffered from a significant amount of disinvestment and overall decline of neighborhoods. Pigeon Township, located in Evansville's urban core, has been especially hit hard. Pigeon Township is Vanderburgh County's poorest township. It contains large parcels of industrial sites, intermixed with residential properties. New industries have located outside the City limits, and the large abandoned and underutilized former industrial sites that exist in Pigeon Township are not considered "shovel ready" due in part to environmental contamination issues. These vacant industrial sites can pose health threats to neighboring residents and decrease quality of life. The City has an overwhelming need to assemble properties and create "shovel ready" sites

within Pigeon Township to redevelop the area, attract jobs, and supplement the tax base, which has the highest tax rate (3.2105%) of all townships in the county.

Despite these challenges, Evansville is beginning to make progress at revitalizing its neighborhoods and preparing for the future. The City of Evansville has created the Evansville Brownfields Corporation, which is landbanking properties for the City's Front Door Pride project and other brownfield redevelopment projects. The Front Door Pride project was created to revitalize neighborhoods within a designated inner-city area within Pigeon Township by helping residents make necessary repairs to their homes and by partnering with nonprofit organizations to utilize a \$1 million grant received from the Indiana Housing and Community Development Authority to provide subsidies toward the construction cost of new homes within the project boundaries. The Front Door Pride project area includes many brownfield sites, two of which were recently awarded state petroleum remediation grants, and the City of Evansville is working with the Indiana Brownfields Program to obtain additional financial assistance to cleanup these properties and mitigate threats to human health and the environment.

Within the next decade, an extension of Interstate 69 will be completed and will go through Evansville, providing a much needed north-south transportation corridor that doesn't currently exist. It will improve access to Indianapolis and will eventually connect Canada to Mexico. This new north-south transportation corridor, in addition to the existing major rail road and shipping hubs in Evansville, will create huge opportunities for economic growth, including bringing in more businesses and travelers. As Evansville's economy grows, there is an increasing need for developable space within the City. To help meet this anticipated need, the City of Evansville is in the process of creating a 140-acre Center City Industrial Park (anticipated to soon be renamed "Pigeon Creek Commerce Center") located partially within Evansville's state-designated Urban Enterprise Zone. The proposed master plan for this industrial park calls for the creation of a new urban center with a tie-in to Pigeon Creek Greenway. In a recent press release, a local real estate developer was quoted as saving that he gives the Center City Industrial Park project a "thumbs up" due to a serious need for industrial buildings from 50,000 to 70,000 square feet. He said that he recently closed a deal for such a site in Henderson County, Kentucky, located across the river from Evansville, because no such building was available in Vanderburgh County. Utilizing RLF funds to clean up brownfield sites with existing buildings and space for redevelopment will help to meet the needs of developers and keep economic growth in Indiana. The City of Evansville has already approached the Indiana Finance Authority with its interest in obtaining a state lowinterest brownfield loan for the Center City Industrial Park project. However, due to an increased demand for state loan funding and decreased appropriations by the Indiana General Assembly, there is not currently enough state brownfield loan funding available to meet Evansville's needs. With RLF funds available to the City of Evansville, private developers, and nonprofit entities, properties can be cleaned up, bringing health and economic benefits to the neighborhoods of Evansville that have been hit so hard by past decline and can help attract future prosperity.

2. Community Benefits RLF funds will be targeted to economically distressed neighborhoods in Evansville. Funds will be available for projects that are poised for redevelopment and will promote high wage jobs for the community. For example, this RLF will complement Evansville's "Redevelopment Master Plan" that focuses on the 140-acre Center City

Industrial Park discussed above. Cleanup of contaminated sites within this designated area will not only make redevelopment possible for new businesses, but will enable existing businesses to expand. This will benefit surrounding neighborhoods greatly by creating new jobs, attracting more businesses and services to the City, removing blighted areas, increasing community pride, and addressing contamination issues that pose threats to human health and the environment. It will also bring more tax revenue to the community which, in turn, can be used to enhance the general quality of life in Evansville.

RLF funds will be used to remediate soil and groundwater contamination. By cleaning up contaminated sites, exposure to cancerous and non-cancerous contaminants through inhalation, ingestion, and direct contact will be greatly reduced. The City of Evansville has identified 300-500 brownfield sites contaminated with a wide range of hazardous substances and petroleum products within the boundaries of the Pigeon Township, where the Center City Industrial Park is located, alone. After these sites are cleaned up, nearby residents will benefit from reduced negative health impacts of the contaminants that were once present on the sites. For example, approximately \$375,000 in Indiana Finance Authority petroleum remediation grants were recently awarded to seven brownfield sites in Evansville for a variety of environmental activities including site assessments, source removal, in-situ chemical oxidation of soil and groundwater, and underground storage tank removal. Approximately 1,000 cubic yards of contaminated soil will be removed. The mitigation of these hazards and reduction of threats to public health is of great benefit to Evansville residents. The Coalition expects to see similar success with use of this RLF grant.

EPA awarded the City of Evansville an assessment pilot in 2002 that provided funds for assessment of brownfield sites in the City's urban core. The funds from the assessment pilot have been expended. Additional funding provided by an RLF grant is needed to fund clean up at brownfield sites in Evansville, many of which were identified and assessed with the EPA assessment pilot, including some sites within the Center City Industrial Park.

As the RLF revolves and funds become available throughout Indiana, communities statewide will benefit from the added capacity and expertise gained as a result of receiving RLF loans and other state financial assistance. Communities who successfully complete brownfield projects can build on their successes and undertake new brownfield projects, creating and expanding their own community brownfields programs.

3. Brownfield Impacts Evansville has identified 300-500 brownfield sites in Pigeon Township that range in size from very small corner dry cleaners and gas stations to large abandoned factories. There are also an unknown number of additional brownfield sites outside of Pigeon Township's boundaries. These sites create negative impacts Citywide, including creating blight, reducing the tax base and decreasing property tax revenues, as no new businesses will move into blighted areas, diminishing quality of life and property values, while exposing residents to actual or potential environmental and safety hazards. For example, effects of environmental contamination are evident in the 45-block area that contains the Jacobsville Neighborhood Superfund site, located within a quarter mile of the Center City Industrial Park. Several long-closed manufacturing companies dating to the 19th century that used lead in their operations are suspected of having contaminated soils in this area. The first phase of cleanup is currently underway, involving approximately 36 residential properties with lead contamination levels above 1,200 parts per million. These levels are significantly above

EPA's standard baseline of 400 parts per million for residential cleanup. The entire Superfund site, which encompasses hundreds of residential properties, includes sensitive human populations of children and pregnant women, who are at a higher risk of experiencing the potential adverse effects of lead and other contaminants found at brownfield sites.

C. Business Plan for RLF Program

1. Business Concept and Products The Indiana Brownfields Program, which has been in existence for ten years, has already successfully implemented an EPA Brownfields Cleanup Revolving Loan Fund (BCRLF) grant awarded in 1998. Under the BCRLF, the City of South Bend, Indiana received \$1,000,000 in loan funds to cap an abandoned landfill in a residential area, which it redeveloped as "Frederickson Park." That loan is currently in repayment, the original grant has been closed out, and loan repayments to date are being transitioned by EPA to another cooperative agreement under which the Indiana Brownfields Program will issue new loans. Through its management of its previous EPA BCRLF, the State Revolving Loan Fund Programs (also funded by EPA), and the State Brownfields Low-Interest Loan incentive, the Indiana Finance Authority has the experience, expertise, capacity, and infrastructure already in place to move money quickly to projects and borrowers. Upon award of this RLF grant, the Coalition expects to begin making loans in the fall of 2008, with a goal to loan all RLF money within the first two years of the grant period. The \$2,000,000 RLF grant, combined with the \$400,000 Indiana Finance Authority cash match, will fund hazardous substance and petroleum cleanups. The target market will first be the City of Evansville, but after a specified period of time, loans will be available throughout Indiana. Low-interest or no-interest loans will be made from the RLF to eligible entities under EPA guidelines. RLF loan terms will not exceed 20 years with semi-annual payments. Loan recipients may be eligible to defer principal payments on loans for up to two years to provide adequate time to budget for loan payments. Prepayment of the outstanding principal can occur at any time. After the initial RLF funds are loaned out and begin to be repaid, the funds coming back into the RLF will be used to make loans to eligible entities for brownfield cleanup activities throughout Indiana. In this way, the RLF will be sustainable into the future and will act as a catalyst for brownfield redevelopment in communities throughout Indiana.

For projects where specific project milestones are met within two years of closing on a RLF loan, up to 40% of the loan amount will be converted to subgrants (not to exceed \$200,000). Subgrants, in the form of loan forgiveness, will follow accomplishment of project milestones identified in the loan agreement and maximum subgrants will be \$200,000, regardless of loan amount. The Indiana Finance Authority uses a similar system for its state-funded Brownfields Low-Interest Loan incentive and has had success with tying grants to achievement of project milestones contained in the loan agreement.

The Indiana Finance Authority's goal is to manage an RLF that is able to sustain itself over the long term through effective planning and revolving loan repayments. The initial goal is to infuse financial capital into projects lacking resources due to site location or market conditions in the community. To maximize investment, the plan will be to couple the RLF funds with other brownfields monies available in Indiana, including state brownfields assistance. State resources, including community development grants, business assistance (tax credits, workforce development grants, tax abatements), and greenspace/trails funds are also available and will be recommended to a borrower, as appropriate, for a potential project. Other possible assistance includes remediation tax credits, HUD resources, private dollars,

and local investment. Projects identified for RLF funding will be presented with a financial assistance package intended to accomplish all cleanup goals at any particular site, noting that such a package may include a mix of local, state, and federal resources.

2. Target Market The Coalition plans to first aggressively market the RLF to any eligible entity within the City of Evansville with an eligible brownfield site and a clear redevelopment plan, especially those in disadvantaged areas. Then, if there are remaining RLF funds available after a specified period of time, the Coalition will market the RLF to any eligible entity within the State of Indiana. Traditionally, state brownfields funding (through the Indiana Brownfields Program) has only been available directly to political subdivisions, with the ability for a political subdivision to receive money on behalf of a private party. Through lessons learned from the Indiana Brownfields Program's management of its previous BCRLF grant, the Coalition believes greater success can be achieved by allowing RLF funding to be disbursed directly to any entity eligible under federal guidelines, thus making the RLF attractive to private entities and, in so doing, filling a gap that currently exists in state brownfields assistance. Nonprofit entities, such as Habitat for Humanity and neighborhood organizations, as well as private developers, have expressed interest in the past in having direct access to brownfields assistance, which the Coalition could provide with an RLF grant.

As mentioned above, a potential area in Evansville for use of the Coalition RLF is the development of the Center City Industrial Park. This 140-acre area, which has suffered decline and building obsolescence, is in a part of Evansville that is predominately industrial and contains pockets of substandard housing. Use of RLF grant funding on this project would serve to leverage a prior EPA assessment grant, with which Evansville conducted four Phase I and two Phase II site assessments on properties within the industrial park. The next step is to purchase and remediate sites, and demolish structures (as necessary), so that the land can be available for industrial redevelopment, bringing jobs back to the area.

Evansville has many types of brownfields, and the Coalition will work to fund a range of sites, including large industrial sites and abandoned landfills, and smaller sites such as dry cleaners and corner gas stations. Scoring criteria for RLF funds will give priority to projects in economically distressed areas, including those areas with high unemployment or poverty rates, and projects with potential to mitigate public health impacts.

3. Selection Process The Coalition will form an advisory group to make decisions regarding the development of the RLF and to prioritize and recommend projects for RLF funding. The advisory group will be made up of representatives from both Coalition members, in addition to local and/or state health departments. Guidelines to administer the RLF will be partially based on current Indiana Brownfields Program financial assistance guidelines and will be modified to incorporate all applicable EPA regulations and guidance. The Coalition will ensure that site, subgrantee, and borrower eligibility determinations are made in accordance with the federal brownfields law. While priority for funding will be given to projects within the City of Evansville, after a specified period of time, projects that are located in other areas of the state will also have access to remaining RLF funding. Other applicants throughout the state will also have access to funds as they are revolved from loans made from the original RLF. Eligible borrowers include any public or private entity that can demonstrate the following: ownership of or access to an eligible site, exemption from CERCLA liability, authority to incur debt and enter into legally binding documents, responsible fiscal

management of previously awarded state grants and/or loans (if applicable), sufficient financial capacity to repay the loan, and a clear redevelopment plan. The potential borrower must then demonstrate several site and project criteria that will be contained in the guidelines. This information will be used by the Coalition to screen each site to ensure that it meets the following site eligibility criteria: it meets the definition of a brownfield, it does not have a viable responsible party, it does not have an ongoing state or federal enforcement action, it does not pose an imminent threat to human health or the environment, and other factors as deemed necessary or appropriate. The Coalition will rank eligible projects utilizing criteria similar to those currently used by the Indiana Brownfields Program for state brownfields funding. Priority for RLF funding will be given to projects that have very clear redevelopment plans or potential, strong community involvement and support, potential to reduce a public health hazard, leveraged investment, and other factors. The proposed selection criteria are included as "Attachment D."

- a. The Coalition plans to award subgrants (coupled with an eligible loan) to greenspace and non-greenspace projects and will utilize EPA's criteria in awarding those subgrants as applicable. For example, in 2007 the State of Indiana received two Brownfields Assessment Grants from EPA to establish the Indiana Brownfields Program Trails and Parks Initiative to fund assessments at sites where the planned end use is development of parks or trails. Evansville has some brownfield sites that may receive assessments under this Trails and Parks Initiative. This RLF will be a possible source of funding to complete necessary site cleanup for those sites that receive assessments under the Trails and Parks Initiative in Evansville and throughout the state.
- b. By including a subgrant component in loans funded by the RLF, the financial burdens associated with remediating a brownfield site are reduced. This is important for the disadvantaged communities that otherwise would not be able to finance a brownfields redevelopment project.
- c. Properties already completely served by infrastructure will receive higher scores in site prioritization in order to facilitate the reuse of those resources and save project costs.
- d. The Coalition believes that a loan and subgrant combination best meets the needs of Indiana communities. This combination will ensure at least 60% of the funds (\$1,200,000) "revolve" for future use, while providing subgrants to assist projects that could not otherwise be successful due to lack of available funding. With recent manufacturing plant closings and news that many companies anticipate downsizing their North American operations, the Coalition expects that brownfields will continue to be a challenge for community and economic development efforts in Indiana. With an estimated 10,000 brownfields in Indiana, flexible and creative financial resources to address brownfields will be important to assist Indiana communities.
- 4. Management Teams The Indiana Finance Authority has an abundance of expertise, capacity, and resources to manage the RLF grant and related activities on behalf of the City of Evansville as a Coalition member. Although the City of Evansville has a proven track record of managing brownfield projects, its resources to manage its own RLF are limited at this time. The Indiana Finance Authority oversees and administers all the state's brownfields activities. With respect to those activities, the Indiana Finance Authority, through the Indiana Brownfields Program, has technical staff to perform all the necessary environmental tasks associated with each redevelopment project on behalf of the Coalition. Sites that receive RLF funding will be automatically enrolled in the Indiana Brownfields Program, with the option to also enroll in the Indiana Department of Environmental Management's Voluntary

Remediation Program. The Indiana Finance Authority has assembled an experienced and qualified team to administer this grant. The RLF management and operational structure would be as follows:

James McGoff, Director of Environmental Programs for the Indiana Finance Authority, has extensive experience managing federally-funded programs. Mr. McGoff currently manages the State Revolving Fund Loan Programs in addition to the Indiana Brownfields Program. Meredith Gramelspacher, Assistant Director of the Indiana Brownfields Program & General Counsel, has represented the Indiana Brownfields Program, as well as other cleanup programs at the Indiana Department of Environmental Management for the past seven years, after working at EPA headquarters in Superfund Enforcement for four years.

Sara Westrick Corbin, Financial Resources Coordinator, has been with the Indiana Brownfields Program for over six years. Ms. Westrick Corbin manages the financial aspects of the Indiana Brownfields Program, including the administration of state financial assistance. Ms. Westrick Corbin was also involved in the administration of Indiana's previous EPA BCRLF.

Matt Martin, State Revolving Fund Finance Manager, has been with the State Revolving Fund Loan Program for over nine years. Mr. Martin has managed all financial and accounting aspects of the State Revolving Fund Loan Programs, including the administration of federal funding. Mr. Martin currently is responsible for tracking the repayment progress of Indiana's previous EPA BCRLF.

Kevin Davis, Indiana Department of Environmental Management Technical Review Coordinator, is an Indiana Licensed Professional Geologist who has been with the Indiana Department of Environmental Management for 13 years. Mr. Davis is responsible for the technical operational staff that will ensure cleanups that comply with Indiana's Risk Integrated System of Closure at sites that enroll in the Indiana Brownfields Program. Mr. Davis was also responsible for the technical oversight of the cleanup project in the City of South Bend that was funded by Indiana's previous EPA BCRLF.

Michele Oertel, EPA/Community Liaison & Outreach Coordinator, previously worked for the Indiana Department of Environmental Management for 17 years and has been with the Indiana Brownfields Program since its inception in 1997, serving as a project manager and technical review coordinator. Ms. Oertel was responsible for the Closeout Agreement of Indiana's previous EPA BCRLF.

Susan Tynes Harrington, EPA Grants Manager, has worked for the Indiana Brownfields Program for over seven years in technical project management, public outreach activities, and EPA reporting. Ms. Harrington will serve as the RLF project manager. This position will be dedicated at least 50% to the management of the Coalition RLF, if awarded.

D. Sustainable Reuse of Brownfields

1. Pollution Prevention The RLF will provide the opportunity for many brownfield sites to be cleaned up and redeveloped, discouraging urban sprawl and reducing consumption of valuable greenspace resources. It is very important that these redeveloped sites not become brownfields again. To ensure this, the Indiana Finance Authority will work with the Indiana Department of Environmental Management's Office of Pollution Prevention and Technical Assistance to provide information about incentives related to pollution prevention and resource consumption reduction to RLF loan and subgrant recipients. In scoring the applications for potential RLF projects, more points will be given for those projects that include plans for infrastructure reuse, native landscaping, innovative stormwater management, and construction debris reuse. In addition, projects with buildings planned as

part of their reuse will receive more points when committing to green building techniques. Fact sheets will be distributed with the Coalition's RLF guidelines and applications explaining these topics and listing agencies and entities that can help with planning such efforts, for example, the Indiana Department of Natural Resources that has staff with expertise in native landscaping

- 2. Economic Benefits Governor Daniels has placed brownfields redevelopment at the heart of his economic recovery strategy for Indiana and mentioned brownfields redevelopment in his first State of the State address in early 2005 as a priority of his new administration. With this focus on economic development, brownfields redevelopment is positioned to afford significant opportunities to stimulate Indiana's economy through local and private investment (leverage), job creation, enhanced property values (both through economic development and greenspace creation), and increased tax revenues. The same is true in Evansville where previous brownfield redevelopment activities have resulted in economic benefits to the community. For example, state brownfields assistance was utilized for the Wesselman's Grocery and Family Dollar redevelopment project in Evansville. Approximately \$50,000 in state brownfields funding was leveraged by \$1,600,000 in private funding and \$1,450,039 in additional public funding. This project transformed blighted, abandoned properties into thriving retail establishments that provide jobs and needed shopping opportunities within walking distance of the surrounding residences, as well as increased local tax revenues for the community. Similar economic benefits are expected to result from activities funded by this RLF.
- 3. Vibrant Community By eliminating neighborhood blight and physical and environmental hazards, the cleanup and redevelopment of brownfield sites promote more vibrant and healthy communities. Sustainable brownfields cleanup and redevelopment gives residents a better quality of life and helps promote community character. The Coalition recognizes that mixed-use development and the concept of sustainability are vital parts of long-term community prosperity. Redevelopment plans for brownfield sites in Indiana often include some components of smart growth and new urbanism concepts, including mixed-use designs, walkable neighborhoods, reuse of existing infrastructure, and building design elements that promote community character and livability. These components will also be encouraged for projects funded with this RLF grant. For example, the Indiana Main Street Program offers assistance for downtown redevelopment projects that can promote walkable downtowns, preserve community character, and generally enhance livability. As part of the scoring criteria for RLF site selection, projects will be rated in part based on how they will promote community character and sustainability.

In Evansville, the master plan for the Center City Industrial Park calls for infrastructure improvements, additions of landscaping and public art, and an access point to the existing Pigeon Creek Greenway. This link to the greenway will help promote healthy living for residents and employees of area businesses. The plan also suggests using the existing architecturally-significant Evansville Cotton Mill as a guide to direct future buildings to complement the historical architecture. This will incorporate reuse of existing infrastructure and ensure that new design elements promote sustainability and a sense of place.

E. Creation and/or Preservation of Greenspace/Open Space or Nonprofit Purpose

Generally, most brownfields redevelopment projects have a great potential for preserving greenspace by reusing contaminated land instead of developing previously unimproved land. Also, the sites that will be remediated with the RLF monies have the potential to be redeveloped into parks, greenways, or recreational properties. The scoring criteria and evaluation of the RLF applications will include treating the value of greenspace and open space as equivalent to the creation of jobs, housing, and other more evident economic development goals. If a borrower includes the creation or preservation of greenspace or trailway in its project, then long-term plans for its management will be a requirement for receiving RLF funds.

F. Pre-Award Community Notification

- 1. <u>Community Notification</u> The Coalition will be prepared to implement the following public notification actions as soon as EPA grant selections are announced and no later than September 12, 2008:
 - Press releases from Evansville's Mayor's office and the Indiana Finance Authority, as well as a potential press conference
 - Public availability sessions to explain the Coalition RLF grant proposal and associated work plans, via local public meetings and conference calls
 - Creation of a repository with all relevant information in Evansville and any other affected community
 - Distribution of RLF information through community-based partners listed in section G4 of this proposal
 - Distribution of RLF information via Indiana's Brownfields Bulletin newsletter
 - Distribution of RLF information through various email listservs, including the Indiana Brownfields Program Listserv (serving 952 brownfield stakeholders), the Indiana Land Use Consortium Listserv, and the Indiana Association of Cities and Towns Listserv
 - Legal notices in the *Evansville Courier & Press* and other regional newspapers throughout the state

For all of the above actions, the public will be invited to comment via phone, fax, email, U.S. mail, or in person. The Indiana Finance Authority will also work with the City of Evansville and other affected communities to translate informational materials into other languages as needed.

- 2. Most Appropriate Way to Notify While the target market of this RLF is the City of Evansville, the jurisdiction of the RLF is the entire State of Indiana, and as the RLF revolves, funds will be available to the entire state. Therefore, it is important to notify the entire state. The outreach methods listed above are the most appropriate way to reach the greatest number of people both in Evansville and statewide because they target a variety of audiences, including technologically savvy organizations and individuals and lower income residents who may not have access to computers. In addition, publishing notices in newspapers and issuing press releases helps get the word out to individuals who may not already be aware of brownfields and thus not members of brownfield or other land use email listserys.
- 3. Comment Period The Coalition will allow at least three weeks for public comment regarding the RLF grant when awarded. During that time, the Coalition will request that the public come forward with their general comments and with possible sites in need of loan funding for redevelopment. Comments will be accepted in any form. A copy of the Coalition RLF grant proposal will be available on the Indiana Brownfields Program's Web site, the City of

Evansville's Web site, and at a local repository for the information either at a public library or a City office. Emails requesting input will be sent out on the Indiana Brownfields Program's email listsery, as well as the listserys of partner organizations. Community-based partners will be asked to help the Coalition solicit comments from its members, and public availability sessions will be held in Evansville and in Indianapolis for Coalition members to be available to answer any questions regarding the RLF.

4. Plans for Addressing Comments Received All comments received will be considered by the Coalition and incorporated into the RLF grant work plan as appropriate. The comments will also be summarized and responses will be included in the work plan. Any additional comments that are received past the submittal of the work plan to EPA will be considered by the Coalition as the RLF grant is administered.

G. Ongoing Community Involvement

- 1. Community Involvement The Indiana Finance Authority will specify in RLF guidelines and loan agreements that community involvement opportunities are a loan condition. Initial activities will be the responsibility of the Indiana Finance Authority and ongoing community involvement activities will be required of loan recipients. At a minimum, this will include proper notification provided at a public meeting, with opportunity for public comment on the proposed cleanup and redevelopment plans. The Indiana Finance Authority will monitor community involvement activities by the loan recipient and will be available to assist in outreach efforts whenever appropriate. In addition to the above planned activities, Evansville has already begun public involvement activities associated with the Center City Industrial Park and its Redevelopment Master Plan. Three public meetings were held with property owners in 2005, and surveys were mailed out to property owners within the project boundaries to determine support for the project. In October 2007, additional meetings will be held specifically with property owners in the Center City Industrial Park to inform them of the planned direction of the project and provide citizens the opportunity to ask questions.
- 2. Partnership Development The Coalition itself is a partnership representing state and local governments. The Coalition will use its existing networks of contacts throughout Evansville and the state, including Evansville neighborhood organizations, local chambers of commerce, realtors, and economic development corporations to market the RLF and involve the community in its implementation. The City of Evansville or other local governmental entities may be called upon to assist the Indiana Finance Authority in gaining access to properties adjacent to RLF project sites if off-site contamination needs to be addressed. On a state level, the Coalition will continue to work with its traditional partners (e.g., the Indiana Department of Environmental Management, the Indiana Economic Development Corporation, the Office of Community and Rural Affairs, and the Indiana Department of Natural Resources) to inform the public, market and implement the RLF, and ensure appropriate and sustainable cleanup and redevelopment of brownfield sites that receive RLF money.

An example of how a RLF can foster partnership development is evident in the Fredrickson Park redevelopment in South Bend, Indiana, which was made possible with Indiana's previous BCRLF grant. A loan was used to cap an abandoned landfill in a residential area. Following cap completion, South Bend partnered with local organizations, including the University of Notre Dame, neighborhood associations, and local school districts to develop an environmental educational center. The project has been a tremendous success that

- highlights local, state, and federal leadership. If awarded the RLF, the Coalition will foster similar successful partnerships in Evansville and throughout the state as RLF funds revolve.
- 3. Communication The Indiana Finance Authority will develop news releases, fact sheets and brochures in both English and in alternate languages if demographic information suggests a need. The Indiana Finance Authority will hold public meetings as necessary, and all state files are available for public review. A public repository of RLF information will be created in an easily accessible location, such as a public library or City office. The Indiana Finance Authority also hosts and attends, as presenters and/or exhibitors, numerous workshops, conferences, and training sessions throughout the state where the Coalition RLF and its projects can be highlighted to the public. Progress of the RLF and award recipients will also be documented on the Indiana Brownfields Program Web site and distributed via bi-monthly editions of the Brownfields Bulletin newsletter. As discussed above, the local community will be informed of and involved in cleanup decisions made at RLF-funded sites through public notification and public comment. Local press coverage of brownfields redevelopment efforts will also be an avenue to report progress. Also, if RLF-funded projects choose to enroll in the Indiana Department of Environmental Management's Voluntary Remediation Program, additional communication with the local community is required through that program.
- 4. Community Based Organizations The following will be involved in this project:
 - United Neighborhoods of Evansville (UNOE); Contact Lori Gardner, (812) 428.4243;
 UNOE is a nonprofit organization representing 34 member neighborhoods, including Cedar Hall Association for Improvement of the Neighborhood, Inc. (CHAIN), which covers the area where the Center City Industrial Park is located. UNOE's mission statement is "Neighborhood associations working together to preserve, enhance, and promote Evansville neighborhoods"
 - Chamber of Commerce of Southwest Indiana; Contact Kim Howard, (812) 425.8147, ext.
 206; The Chamber provides a link to 1,450 businesses in the Evansville area and hosts the Southwest Indiana Small Business Development Center
 - Vanderburgh County Health Department; Contact Gary Heck (812) 435.2468; The department works with its community partners to promote healthy lifestyles and achieve and maintain the best public health for the community.
 - Indiana Association of Cities and Towns (IACT); Contact Matt Greller, (317) 237.6200; IACT is an organization that works to protect the interests of its municipal members
 - Local Initiatives Support Corporation (LISC), Contact Will Pritchard, (317) 396.0588;
 LISC helps resident-led, community-based development organizations transform distressed communities and neighborhoods into healthy ones

H. Reduction of Threats to Human Health and the Environment

1. Threat Reduction RLF monies will provide the additional resources needed to facilitate the cleanup of a variety of brownfields in Evansville and throughout the state. These sites often pose a human and/or environmental threat from contaminants such as petroleum, arsenic, chromium, mercury, lead, asbestos, vinyl chloride. Many of these substances are known carcinogens and are found in soils and groundwater, which may pose concerns for exposure through direct contact, inhalation and/or ingestion. In addition, Evansville, the target community for this RLF, contains sensitive receptors such as the Ohio River, various wetlands, and other surface waters, and cleanup of petroleum and hazardous substances

contamination will minimize contaminated runoff to these waters. While a variety of industries, such as dry cleaners, plating facilities, rubber processing plants, or even old commercial facilities with contaminated building materials, have adversely impacted communities statewide, conducting site remediation activities will reduce such threats, which seem to be particularly prevalent in Evansville. As previously mentioned, the City of Evansville has identified 300-500 brownfield sites within Pigeon Township, including sites in the Center City Industrial Park such as the LS Leasing North site, a former gas station that is contaminated with petroleum products; the large Municipal Riverfront Port site that is contaminated with asbestos; and the Emby/Koch Label that is contaminated with arsenic, cadmium, copper, lead, nickel and thallium.

The Indiana Finance Authority, through its Indiana Brownfields Program, will oversee all environmental activities and provide technical reviews of work plans and final reports utilizing the Indiana Department of Environmental Management's Risk Integrated System of Closure, a set of health and risk-based standards, to evaluate cleanup options and contaminant remediation levels based on detailed site data and proposed site end use. The Risk Integrated System of Closure allows for sites to be closed in some circumstances with engineering or institutional controls. For sites where this is appropriate, the Indiana Department of Environmental Management has the authority and a system in place to enforce these controls and ensure that they are maintained.

2. Public Health Departments The Indiana Finance Authority, through its Indiana Brownfields Program, already works regularly with the Indiana State Department of Health. For the purpose of this RLF, the Coalition will also work closely with the Vanderburgh County Department of Health and the Evansville EPA. These health professionals can potentially address clusters of diseases and provide air sampling if necessary. They often provide assistance with public relations matters in explaining health effects of contaminants and can participate with the Coalition in public availability sessions as necessary. Relationships with the local health department will help ensure that public health issues are considered during the remediation activities and ultimately the redevelopment process. All remediation performed with RLF funds will be done in accordance with all applicable federal and state environmental laws and regulations. All projects receiving RLF funds will be automatically enrolled in the Indiana Brownfields Program, with the option to also enroll in the Indiana Department of Environmental Management's Voluntary Remediation Program. Upon request of the Indiana Finance Authority, the Indiana Department of Environmental Management will ensure proper monitoring and enforcement of any cleanup objectives, engineering controls, and monitoring activities to be done by the RLF loan recipient.

I. Leveraging of Additional Resources

1. Committed Funds The Indiana Brownfields Program has four primary staff persons dedicated to general program development, including outreach and education, financial incentive development, and legal assistance. These four staff persons will dedicate time as in-kind services to support the efforts to establish, market, implement, and manage the RLF; they have extensive experience with the Indiana Brownfields Program, including experience managing Indiana's previous BCRLF grant, and will work to successfully manage this RLF. As a Coalition member, the City of Evansville will dedicate staff time as in-kind services to participate in the advisory group, will market the funds to eligible property owners and other potential borrowers within its jurisdiction, and will provide assistance with outreach and

- community involvement in Evansville. In addition, the City of Evansville has also committed \$500,000 in local Capital Development Funds for the Center City Industrial Park. An additional \$1.5 million in local funds earmarked for industrial development is pending, and a \$99,000 federal appropriation has been approved for the Center City Industrial Park project.
- 2. Leverage Funds The Indiana Finance Authority, through its Indiana Brownfields Program, offers state and federally-funded financial assistance as grants and loans which may fill funding gaps not addressed by this RLF grant. Additionally, the Indiana Finance Authority will be providing approximately \$150,000 in in-kind services to implement the RLF grant, if it is awarded (see budget table). Indiana's Office of Community and Rural Affairs has community development funds that can be used for planning, construction, infrastructure, and other assistance to complete activities not eligible under this RLF. In addition, the Coalition will look to the State Revolving Loan Fund Programs, state Community Development Block Grant funding, Tax Increment Financing proceeds, Economic Development Administration funds, EPA grants, and other federal and state resources to support its brownfields redevelopment activities. These additional funding sources will leverage RLF funding and vice versa. Data collected on projects funded by state brownfields assistance indicates that the Indiana Finance Authority has leveraged \$16 of other investment for every \$1 of state brownfields money. The Coalition will aim for similar success with RLF funds, with a goal of \$10:\$1 return on the investment of RLF funds, which, if successful, would leverage approximately \$20,000,000 on the investment of \$2,000,000 in RLF money.

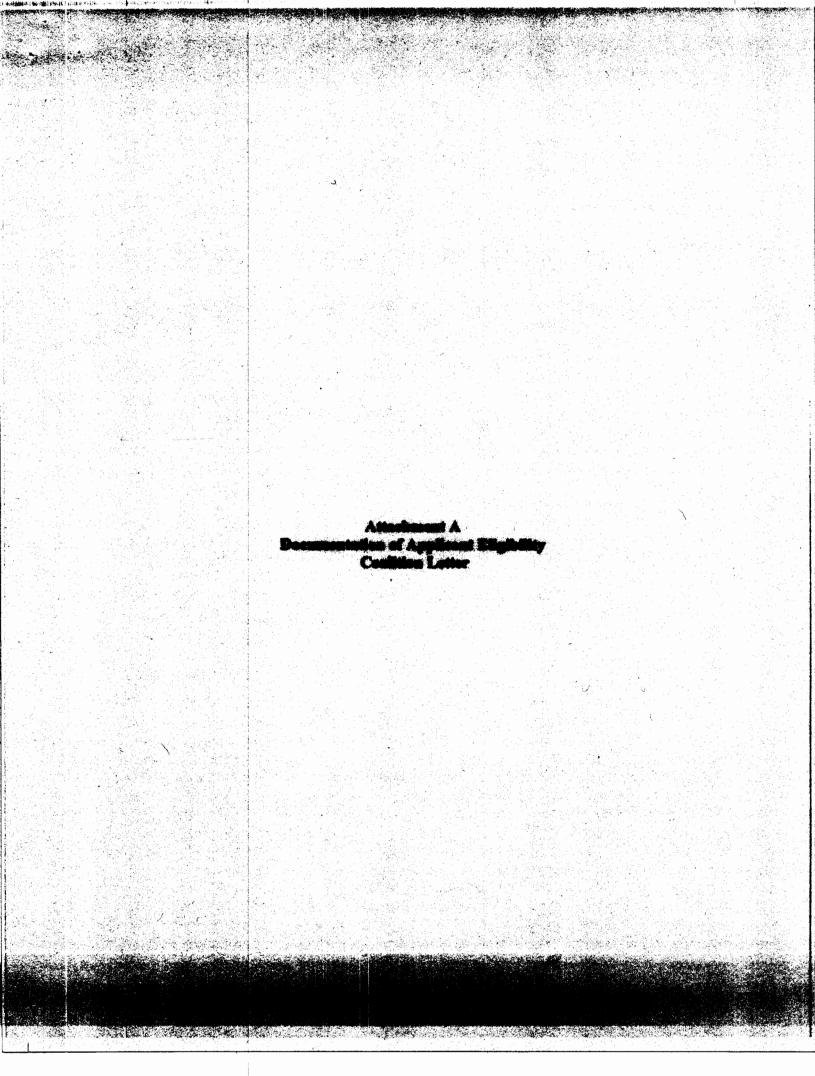
J. Programmatic Capability/Management Structure

1. Grant Management At full capacity, there are 12 Indiana Brownfields Program employees. All 12 will be available to assist with the implementation of this RLF grant. Furthermore, at least one Indiana Brownfields Program staff member will be dedicated at least 50% to administering this RLF grant. In addition, current accounting, grant, and financial staff assigned to the State Revolving Fund Loan Programs (also part of the Indiana Finance Authority's Environmental Programs) will be available to assist in the administration of this RLF grant if necessary. To date, the Indiana Brownfields Program has awarded over \$30 million in state assessment and remediation funding throughout Indiana. Through the Indiana Brownfields Program, the Indiana Finance Authority has the necessary financial and technical expertise to successfully perform all phases of work under this grant. Furthermore, the Indiana Finance Authority engages the services of an asset manager that provides trust investment and planning advice in accordance with the Indiana Finance Authority Investment Policy, which is pursuant to state law and has been adopted by the Indiana Finance Authority Board of Directors. If necessary, the Indiana Finance Authority would make any changes to internal controls and audit procedures to ensure full federal compliance. As mentioned previously, the Indiana Brownfields Program has already successfully implemented a BCRLF grant under which the City of South Bend, Indiana received \$1,000,000 in loan funds to cap an abandoned landfill in a residential area, which it redeveloped as "Frederickson Park." That loan was leveraged by an additional \$31,022 in state brownfield assessment grant funding and \$1,381,647 in additional local public funds.

The State Revolving Fund Loan Programs, which provide low-interest loans to Indiana communities for projects that improve wastewater and drinking water infrastructure, are managed by the Indiana Finance Authority. The state applies to EPA annually for capitalization grants to fund its State Revolving Fund Loan Programs. More than 380 loans

totaling over \$2 billion have been closed and are in the process of repayment. The Indiana Finance Authority also receives a CERCLA Section 128(a) grant from EPA to partially fund operation of the Indiana Brownfields Program. The Indiana Finance Authority receives the 128(a) funding for the Indiana Brownfields Program instead of the Indiana Department of Environmental Management as a result of legislation in 2005 that placed management of the Indiana Brownfields Program under the Indiana Finance Authority. The Indiana Finance Authority distributes a portion of the CERCLA Section 128(a) grant to the Indiana Department of Environmental Management's Voluntary Remediation Program. The Indiana Brownfields Program is also managing two EPA Brownfield Assessment Grants that were awarded to Indiana in May 2007, cooperative agreements for which will be finalized in October 2007, and for which the first application deadline to receive an assessment award is scheduled for December 2007; an ambitious timeline demonstrating management strengths.

- 2. Grant Management History The Indiana Finance Authority has received and successfully managed federal funding for the State Revolving Fund Loan Programs and the Indiana Brownfields Program. The Indiana Finance Authority has complied with the activities referenced under OMB Circular A-133 and has an annual audit prepared by independent auditors. The Indiana Finance Authority has no unresolved audit findings and has not been required to comply with special "high risk" terms and conditions under agency regulations implementing OMB Circular A-102.
- 3. Reporting The Indiana Finance Authority has met all reporting requirements for the Indiana Brownfields Program and the State Revolving Fund Loan Programs cooperative agreements with EPA. Reports include results for each activity under the grant. In this way, it is easy to compare the results with the goals set by the programs and EPA. These results have shown that both the Indiana Brownfields Program and the State Revolving Fund Loan Programs are making excellent progress with meeting their goals, and in some activities, have exceeded their goals.
- 4. Tracking and Measuring Progress Because the Indiana Finance Authority already has a framework in place to manage complex loan programs, including the State Revolving Fund Loan Programs, all necessary financial tracking and recordkeeping mechanisms are already established. Progress will be tracked to ensure effective RLF marketing and timely loan repayments. Reporting on the status of the RLF to the Coalition will occur at least quarterly. For reporting to EPA, the Indiana Brownfields Program will utilize tracking and measuring methods already in use for EPA reporting requirements and tracking of state incentives. One of these methods is a database called ULCERS that tracks all of the Indiana Department of Environmental Management's Office of Land Quality programs, including Indiana Brownfields Program information. All of the RLF site information and milestones will be recorded in the ULCERS database so that it can be utilized in reporting to EPA. Another method of tracking is the Indiana Brownfields Program's internal process of recording significant activities in a bi-weekly tracking log. Both of these examples of tracking and measuring progress will be used to ensure that expected outputs and outcome goals are met. The number and type of outreach activities performed to market the RLF, the number of loans and subgrants made, and the number of cleanups completed or in progress are examples outputs of the initiative that will be measured. The outcomes of the grant, such as the number of sites and/or acres of land that have been remediated and redeveloped will be tracked, and thus the success of the Coalition RLF grant will be measured.



Coalition Applicant Eligibility

The Indiana Finance Authority

The Indiana Finance Authority is a quasi-governmental entity created by the Indiana Legislature (Indiana Code 4-4-11) and is therefore eligible to receive U.S. EPA Brownfields Cleanup Grant funding.

The City of Evansville

The City of Evansville is a General Purpose unit of Local Government as defined in 40 CFR Part 31 and is therefore eligible to receive U.S. EPA Brownfields Cleanup Grant funding. It is therefore eligible to be considered a Coalition Member with the Indiana Finance Authority for its Brownfields Revolving Loan Fund Grant Proposal.

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IC 4-4-11

Chapter 11. Indiana Finance Authority

IC 4-4-11-1

Title

Sec. 1. This chapter may be cited as "The Indiana finance authority law". As added by Acts 1982, P.L.16, SEC.1. Amended by P.L.11-1990, SEC.16; P.L.235-2005, SEC.6.

IC 4-4-11-2

Legislative findings of fact; purpose

Sec. 2. (a) The legislature makes the following findings of fact:

- (1) That there currently exists in certain areas of the state critical conditions of unemployment, inadequate drinking water, inadequate wastewater and storm water management, or environmental pollution, including water pollution, air pollution, sewage and solid waste, radioactive waste, thermal pollution, radiation contamination, and noise pollution, and that these conditions may well exist, from time to time, in other areas of the state.
- (2) That in some areas of the state such conditions are chronic and of long standing and that without remedial measures they may become so in other areas of the state.
- (3) That economic insecurity due to unemployment, inadequate drinking water, inadequate wastewater and storm water management, or environmental pollution is a menace to the health, safety, morals, and general welfare of not only the people of the affected areas but of the people of the entire state.
- (4) That involuntary unemployment and its resulting burden of indigency falls with crushing force upon the unemployed worker and ultimately upon the state in the form of public assistance and unemployment compensation.
- (5) That security against unemployment and the resulting spread of indigency and economic stagnation in the areas affected can best be provided by:
- (A) the promotion, attraction, stimulation, rehabilitation, and revitalization of industrial development projects, rural development projects, mining operations, and agricultural operations that involve the processing of agricultural products;
 - (B) the promotion and stimulation of international exports; and
- (C) the education, both formal and informal, of people of all ages throughout the state by the promotion, attraction, construction, renovation, rehabilitation, and revitalization of and assistance to educational facility projects.
- (6) That the present and prospective health, safety, morals, right to gainful employment, and general welfare of the people of the state require as a public purpose the provision of safe drinking

water, the provision of wastewater and storm water management, the abatement or control of pollution, the promotion of increased educational enrichment (including cultural, intellectual, scientific, or artistic opportunities) for people of all ages through new, expanded, or revitalized educational facility projects or through assisting educational facility projects, and the promotion of employment creation or retention

through development of new and expanded industrial development projects, rural development projects, mining operations, and agricultural operations that involve the processing of agricultural products.

- (7) That there is a need to stimulate a larger flow of private investment funds from commercial banks, investment bankers, insurance companies, other financial institutions, and individuals into such industrial development projects, rural development projects, mining operations, international exports, and agricultural operations that involve the processing of agricultural products in the state.
- (8) That the authority can encourage the making of loans or leases for creation or expansion of industrial development projects, rural development projects, mining operations, international exports, and agricultural operations that involve the processing of agricultural products, thus putting a larger portion of the private capital available in Indiana for investment to use in the general economic development of the state.
- (9) That the issuance of bonds of the authority to create a financing pool for industrial development projects and carrying out the purposes of IC 13-18-13 and IC 13-18-21 promoting a substantial likelihood of opportunities for:
 - (A) gainful employment;
 - (B) business opportunities;
 - (C) educational enrichment (including cultural, intellectual, scientific, or artistic opportunities);
 - (D) the abatement, reduction, or prevention of pollution;
 - (E) the provision of safe drinking water;
 - (F) the provision of wastewater and storm water management;
- (G) the removal or treatment of any substances in materials being processed that otherwise would cause pollution when used; or
 - (H) increased options for and availability of child care;
- will improve the health, safety, morals, and general welfare of the people of the state and constitutes a public purpose for which the authority shall exist and operate.
- (10) That the issuance of bonds of the authority to create a funding source for the making of guaranteed participating loans will promote and encourage an expanding international exports market and international exports sales and will promote the general welfare of all of the people of Indiana by assisting Indiana businesses through stimulation of the expansion of

international exports sales for Indiana products and services, especially those of small and medium-sized businesses, by providing financial assistance through the authority.

- (b) The Indiana finance authority shall exist and operate for the public purposes of:
- (1) promoting opportunities for gainful employment and business opportunities by the promotion and development of industrial development projects, rural development projects, mining operations, international exports, and agricultural operations that involve the processing of agricultural products, in any areas of the state;
- (2) promoting the educational enrichment (including cultural, intellectual, scientific, or artistic opportunities) of all the people of the state by the promotion, development, and assistance of educational facility projects;
- (3) promoting affordable farm credit and agricultural loan financing at interest rates that are consistent with the needs of borrowers for farming and agricultural enterprises;
- (4) preventing and remediating environmental pollution, including water pollution, air pollution, sewage and solid waste disposal, radioactive waste, thermal pollution, radiation contamination, and noise pollution affecting the health and well-being of the people of the state by:
 - (A) the promotion and development of industrial development projects; and
 - (B) carrying out the purposes of IC 13-18-13 and IC 13-18-21;
 - (5) promoting the provision of safe and adequate drinking water and wastewater and storm water

management to positively affect the public health and well-being by carrying out the purposes of IC 13-18-13 and IC 13-18-21;

- (6) otherwise positively affecting the public health and well-being by carrying out the purposes of IC 13-18-13 and IC 13-18-21; and
- (7) promoting affordable and accessible child care for the people of the state by the promotion and development of child care facilities.

As added by Acts 1982, P.L.16, SEC.1. Amended by P.L.24-1983, SEC.1; P.L.20-1985, SEC.2; P.L.25-1987, SEC.4; P.L.20-1988, SEC.7; P.L.11-1990, SEC.17; P.L.24-1995, SEC.9; P.L.227-1999, SEC.6 and P.L.273-1999, SEC.195; P.L.4-2002, SEC.2; P.L.235-2005, SEC.7.

IC 4-4-11-2.5

Legislative findings of fact; purpose

- Sec. 2.5. (a) The general assembly makes the following findings of fact in addition to those set forth in section 2 of this chapter:
- (1) There are currently numerous bodies corporate and politic of the state, with separate decision making and borrowing authority, that may issue bonds, notes, and obligations, and

otherwise access the financial markets.

- (2) Consolidation of this decision making and borrowing authority may provide economic efficiencies and management synergies and enable the state to communicate, with a single voice, with the various participants in the financial markets, including credit rating agencies, investment bankers, investors, and municipal bond insurers and other credit enhancers.
- (b) In addition to the purposes set forth in section 2 of this chapter, the authority is established for the purpose of permitting the consolidation of certain bodies in a single body of decision making concerning access to the capital and financial markets in the name of, or for the benefit of, the state.
- (c) The authority is authorized to carry out the public purposes provided for in the affected statutes through a single entity in order to achieve the purposes of this section.

 As added by P.L.235-2005, SEC.8. Amended by P.L.1-2006, SEC.27.

IC 4-4-11-2.7

Construction of article; priority of definitions

- Sec. 2.7. (a) This article and the affected statutes shall be liberally construed to effect the purposes of this article and the affected statutes.
- (b) To the extent that the definitions in an affected statute are inconsistent with the definitions in this chapter or IC 4-4-10.9, the definitions in the affected statute prevail.
- (c) Except as otherwise provided by subsection (b), to the extent that the provisions of this article are inconsistent with the provisions of any other general, special, or local law, the provisions of this article are controlling and supersede all other laws.

As added by P.L. 235-2005, SEC. 9. Amended by P.L. 162-2007, SEC. 5.

IC 4-4-11-3

Repealed

(Repealed by P.L. 20-1985, SEC. 18(b).)

IC 4-4-11-4

Creation; membership

Sec. 4. (a) There is created for the public purposes set forth in section 2.5 of this chapter a body politic and corporate, not a state agency but an independent instrumentality exercising essential public

functions, to be known as the Indiana finance authority. The authority is separate and apart from the state in its corporate and sovereign capacity, and though separate from the state, the exercise by the authority of its powers constitutes an essential governmental, public, and corporate function.

(b) The authority shall be composed of the following five (5) members:

(1) The budget director, or the budget director's designee, who shall serve as chairman of the authority.

(2) The treasurer of state, or the treasurer of state's designee.

- (3) Three (3) members appointed by the governor, no more than two (2) of whom may be from the same political party.
 - (c) All members shall be residents of the state.

As added by Acts 1982, P.L.16, SEC.1. Amended by P.L.11-1990, SEC.18; P.L.235-2005, SEC.10.

IC 4-4-11-5

Members; terms of office

Sec. 5. Appointments to the authority under section 4(b)(3) of this chapter are for terms of four (4) years. Each member appointed to the authority under section 4(b)(3) of this chapter:

(1) holds office for the term of this appointment;

(2) continues to serve after expiration of the appointment until a successor is appointed and qualified;

(3) is eligible for reappointment; and

(4) may be removed from office by the governor with or without cause and serves at the pleasure of the governor.

The governor shall fill a vacancy for the unexpired term of any member appointed under section 4(b)(3) of this chapter.

As added by Acts 1982, P.L.16, SEC.1. Amended by P.L.11-1990, SEC.19; P.L.235-2005, SEC.11.

IC 4-4-11-6

Officers: compensation of members

- Sec. 6. (a) The members shall elect from among their number a vice chairman and other officers as they may determine.
- (b) The members of the authority are entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with their duties as provided by law. Members are not entitled to the salary per diem provided by IC 4-10-11-2.1(b) or any other compensation while performing their duties.

As added by Acts 1982, P.L.16, SEC.1. Amended by P.L.20-1985, SEC.3; P.L.11-1990, SEC.20; P.L.235-2005, SEC.12.

IC 4-4-11-7

Vesting of powers; quorum; voting

Sec. 7. The powers of the authority are vested in the members. Three (3) members of the authority constitute a quorum for the transaction of business. The affirmative vote of at least three (3) members is necessary for any action to be taken by the authority. Members may vote by written proxy delivered in advance to any other member who is present at the meeting. A vacancy in the membership of the authority does not impair the right of a quorum to exercise all rights and perform all duties of the authority.

As added by Acts 1982, P.L.16, SEC.1. Amended by P.L.11-1990, SEC.21; P.L.235-2005, SEC.13.



OFFICE OF The motion

ONE N.W. MARTIN LUTHER KING, JR. BLVD. • ROOM 302 EVANSVILLE, INDIANA 47708-1833 (812) 436-4962 FAX (812) 436-4966

October 11, 2007

Mr. James P. McGoff
Director of Environmental Programs
Indiana Finance Authority
100 N. Senate Ave., Rm. 1275
Indianapolis, IN 46204

Re: U.S. EPA Brownfields Revolving Loan Fund Grant Proposal Coalition Agreement Letter Indiana Finance Authority c/o Indiana Brownfields Program

Dear Mr. McGoff:

This letter serves as written record of agreement between the City of Evansville and the Indiana Finance Authority to co-apply for a U.S. Environmental Protection Agency (EPA) Brownfields Revolving Loan Fund Grant in the amount of \$2 million. The City of Evansville is pleased to join the Indiana Finance Authority as a Coalition Member to capitalize a brownfield revolving loan fund with a target market of Evansville. As the largest city in southwestern Indiana, Evansville is a catalyst for redevelopment and economic development in the region. To that end, I have co-founded new regional and county economic development coalitions, additionally, my administration is actively addressing redevelopment of brownfield sites, with innovative approaches to revitalize our inner city.

One such approach is the development of a center city industrial park, a 140-acre site with 50-60 developable acres along the rail corridor, which has suffered decline and obsolescence. The area is predominately industrial and contains pockets of substandard housing. We initially earmarked \$500,000 to acquire residential properties on tax sales and hired professionals to establish a tax increment finance district (TIF) and create a master development plan. This project has been leveraged through a prior U.S. EPA assessment grant. With that grant, Evansville identified the industrial park area as the database was developed and conducted, four phase I and 2 phase II environmental site assessments on properties within the industrial park. In a few weeks the Evansville Redevelopment Commission will take official action to designate the redevelopment area and take the necessary steps to make "shovel ready" industrial sites available in the inner city.



The revolving loan program outlined in this grant application would be a benefit to the City of Evansville as we continue create jobs, retain existing industry, increase our tax base, implement smart growth policies and revitalize blighted neighborhoods. An Indiana brownfield revolving loan fund would provide an additional opportunity for the City of Evansville to fund remediation of sites within the center city industrial park and other brownfield redevelopment projects.

Sincerely,

Jonathan Weinzapfel

Mayor



INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

We make Indiana a cleaner, healthier place to live.

Mitchell E. Daniels, Jr. Governor

Thomas W. Easterly Commissioner

100 North Senate Avenue Indianapolis, Indiana 46204 (317) 232-8603 (800) 451-6027 www.idem.IN.gov

October 5, 2007

James P. McGoff Director of Environmental Programs Indiana Finance Authority 100 North Senate Avenue, Room 1275 Indianapolis, IN 46204

> Re: U.S. EPA Brownfields RLF Grant Proposal Support Letter Indiana Finance Authority

Dear Mr. McGoff:

This letter is provided in support of the Indiana Finance Authority's (IFA) application to the U.S. Environmental Protection Agency (U.S. EPA) for Brownfields Revolving Loan Fund (RLF) Grant funding, on behalf of the Indiana Brownfields Program (Program). Because the Indiana Department of Environmental Management (IDEM) works in partnership with the Program, it understands IFA's goals to offer financial assistance, as well as other brownfield incentives, to address environmental issues for communities to facilitate brownfields redevelopment. IDEM believes IFA has the capability to perform the proposed grant-funded activities based on its working relationship with IFA.

IDEM acknowledges that IFA is applying for a \$2 million grant to be able to capitalize a revolving loan fund and/or to provide subgrants through the Program to carry out cleanup activities for hazardous substances and petroleum contamination at brownfield sites. Since IFA already has experience serving as a fund manager for federal grants and currently has a Closeout Agreement with U.S. EPA for the Brownfields Cleanup Revolving Loan Fund grant (that had been awarded to IDEM and that provided loan funds for the South Bend Fredrickson Park project), IDEM is confident that IFA has the appropriate expertise to administer this RLF grant and to be accountable for the subsequent activities.

IDEM encourages IFA's plan to leverage federal, state and local resources for successful brownfield redevelopment projects and supports IFA's intent to give priority consideration to a target market in the City of Evansville. This community needs a large sum of funding to move forward with a high-profile redevelopment project, and it has proven itself to be very involved and successful with a variety of state and federally funded brownfield projects. It is a positive effort



to sustain the Program by utilizing the continuing repayment of RLF loan monies from the City of Evansville to the state for future brownfield projects to be funded throughout Indiana.

It is understood that sites that receive RLF funding will be required to enroll in the Program or IDEM's Voluntary Remediation Program for environmental oversight, which work in cooperation with each other. By continuing to provide environmental technical oversight for the Program, IDEM is committed to supporting IFA.

The Program mission to assist with the cleanup and reuse of brownfields by helping communities identify and mitigate environmental barriers that impede local economic growth is important and commendable, and it parallels IDEM's mission to make Indiana a cleaner, healthier place to live. Supporting the Program, which works directly with communities and other stakeholders to explore available state and federal assistance to address specific liability and funding issues, can facilitate environmental stewardship and sustainable brownfields redevelopment in Indiana.

Based on the existing partnership and shared goals to provide direct assistance to Indiana communities, IDEM considers IFA an excellent candidate to receive U.S. EPA grant funding to continue its brownfields initiative and supports its efforts. IDEM looks forward to continuing its relationship with IFA. For further assistance, please contact me toll free at (800) 451-6027, ext. 2-4535, or directly at (317) 232-4535.

Sincerely,

Bruce A. Oertel, Chief Remediation Services Branch Office of Land Quality

BAO/mmo

cc: Deborah Orr, U.S. EPA, Region 5

Attachment C Logal Ophnica Letter



Indiana Brownfields Program • 100 North Senate Avenue, Room 1275 • Indianapolis, IN 46204 www.in.gov/ifa/brownfields
Phone: (317) 234.4293 • Fax: (317) 234.1338

October 11, 2007

Ms. Deborah Orr United States Environmental Protection Agency 77 West Jackson Boulevard Chicago, IL 60604-3507

Re: Indiana Finance Authority – Indiana Brownfields Program Proposal for a Revolving Loan Fund Grant

Dear Ms. Orr:

I serve as general counsel to the Indiana Brownfields Program (the "Program") which operates under the Indiana Finance Authority (the "Authority"). As such, I have reviewed such facts, law and agreements as I believe necessary and appropriate to render this opinion letter. Such law includes Indiana Code 4-4-10.9 and Indiana Code 4-4-11 which generally govern the Authority, and Indiana Code 13-19-5-3, which generally governs the Authority's role in the Program. In addition, I have reviewed the Authority's proposal (the "Proposal") for a Revolving Loan Fund Grant (the "Grant").

The Authority is a body politic and corporate, not a state agency but an instrumentality exercising essential public functions. Based upon my review, I am of the opinion that under existing law and the terms of the Program's grant agreements, the Program, through the Authority, has sufficient legal authority to:

- 1. access and secure sites in the event of an emergency or default of a loan agreement or non-performance under a subgrant; and
- perform the actions necessary to manage a revolving loan fund, including the ability to hold funds, make loans, enter into loan agreements and collect repayments;

all as contemplated by the proposed Grant and the Proposal.

The foregoing legal opinions (the "Opinions") are given as of the date of this letter. I assume no obligation to revise or supplement the Opinions to reflect any facts or circumstances that may come to my attention after the date of this letter, or any change in law that may occur after the date of this letter. Only you, the addressee, may rely upon this opinion letter in your administration and management of the Proposal and the Grant.

Sincerely yours,

Meredith M. Gramelspacher

Assistant Director & General Counsel

Indiana Brownfields Program

Cc: Susan Harrington, Indiana Brownfields Program

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Proposed Selection Criteria for RLF Projects

Projects will be scored based on the following criteria, noting that final evaluation criteria will include input from the Coalition advisory group and the Indiana Finance Authority Board of Directors.

1. <u>Demographic Factors</u> (75 possible points)

A. Net Assessed Value Per Capita (20 possible points)

Up to 53% of Indiana's median Net Assessed Value Per Capita	20 points
Between 53% and 66% of Indiana's median Net Assessed Value Per Capita	15 points
Between 67% and 113% of Indiana's median Net Assessed Value Per Capita	10 points
Between 114% and 200% of Indiana's median Net Assessed Value Per Capita	5 points
In excess of 200% Indiana's median Net Assessed Value Per Capita	0 points

B. Poverty Rate (20 possible points)

Zip codes with more than 170 households receiving TANF*	20 points
Zip codes with fewer than 170 but more than 40 households receiving TANF	10 points
Zip codes with fewer than 40 but more than 11 households receiving TANF	5 points
Zip codes with fewer than 11 but more than 0 households receiving TANF	0 points

^{*}Temporary Assistance to Needy Families (TANF)

C. Site Location (15 possible points)

Community Revitalization Enhancement District (CRED), Urban Enterprise Zone, "Dinosaur" building, federally-designated Enterprise Zone, or community/locally designated brownfields revitalization zone or slum and blighted area

D. Census Tract in which the Site is Located (20 possible points)

2. <u>Leverage of Funds</u> (75 possible points)

Matching local public or private funds that have/will be invested in the project

3. Local Support for Project (100 possible points)

A. Neighborhood Comment and Input (50 possible points)

Plans announced at public hearing and comments sought from public

20 points

Favorable responses received and/or proactive followup to any negative comments

10 points

Additional or more focused community and/or neighborhood input sought

20 points

B. Coordinated Local Efforts (50 possible points)

Local coalition/organization meeting and working regularly on brownfields issues and/or brownfields coordinator designated; local brownfields sites identified and/or prioritized

50 points

Joint local effort by numerous parties to address this site; some type of coalition to address brownfields issues locally

35 points

Firm plans to form brownfields workgroup or coalition to address brownfields issues locally

20 points

No brownfields workgroup or coalition exists to address brownfields issues locally; joint local effort by more than one party to address this site

10 points

4. <u>Economic or Community Development Potential for Site – Subjective</u> (100 possible points)

Applicants should focus on the following:

- Long-term plans for property, including its place in the overall economic and community development plans;
- Potential for project success based on formal contracts or designated funds to accomplish remediation and redevelopment;
- Impact project will have on overall economic development plans of community, including potential increase to tax base, job creation, and investment in project property;
- Impact project will have on overall community development plans, including the creation, preservation, or addition to a park, greenway, recreational facility, or other municipal benefit;
- Previous local efforts to redevelop property and/or address environmental issues of the site.

5. Redevelopment Plans, Including Pollution Prevention and Project Sustainability – Subjective (100 possible points)

Applicants should focus on the following:

- Plans for redevelopment of the property;
- Long-term plans for care and maintenance of the site, including any institutional or engineering controls that may be necessary;
- Sustainable reuse of the site, including infrastructure reuse, native landscaping, innovative stormwater management, construction debris reuse, and green building techniques.